



# Vikings and Visionaries

Three Nordic Markets Share Culture and Technology

by Export America

The Nordic region is unique in its location between the Baltic region and Western Europe and is a gateway between them. A pan-Nordic identity is built on common culture, geography, history, ethnicity, love of nature, and Scandinavian languages. Three Scandinavian countries—Denmark, Norway and Sweden—are closely related but also differ in many ways. Each is a constitutional monarchy with a high standard of living and a propensity toward technology.

## DENMARK

Denmark shares a border with Germany and is connected by bridge to southern Sweden. Its total area of 43,093 square kilometers is slightly larger than that of Massachusetts and New Hampshire combined. The country offers a domestic market of 5.4 million people. Its modern infrastructure, highly skilled labor force, and central location make it an excellent distribution point for the Scandinavian, northern European, and Baltic markets, which together total more than 50 million people. Denmark's standard of living, with a

per capita GDP of \$32,224 in 2002, is among the highest in the world.

Denmark is a member of the European Union, but the country is not a part of the euro zone. The economy is very oriented toward exports and is, therefore, a firm advocate of liberal trade and investment policies. There are 350 American subsidiaries operating in Denmark. Foreign investors in Denmark face very few ownership restrictions. From 1998 to 2000, U.S. direct investment in Denmark tripled to nearly \$21 billion. However, reflective of broader economic trends, U.S. direct investment dropped slightly to \$19.7 billion in 2001. Much of the increase in investment by the United States has been in the form of acquisitions of Danish information technology and telecommunications companies and the establishment of non-financial holding companies. Denmark has a well-established system of commercial law. Expropriation is almost entirely limited to public construction purposes, for which compensation is paid. Denmark has no restrictions on capital transfers and no foreign exchange restrictions. Worker productivity is high, in line with other EU countries,

and corporate taxation is among the lowest in the European Union. Danish wages are high, but employer contributions to social welfare are very low, which results in lower total labor costs than in most northern EU member countries. Intellectual property rights are well protected. The United States is Denmark's largest trading partner outside the European Union and has a 5.2-percent share of total Danish trade in goods. Political and commercial relations with the United States are excellent. Top exports from the United States to Denmark include industrial machinery and capital equipment, such as computers and telecommunications products, software, aircraft, and scientific instruments. Other important U.S. exports to Denmark are military equipment, chemicals, pharmaceuticals, tobacco, wine, fresh vegetables, nuts, and forest products. American-owned firms in Denmark are prominent in information technology and telecommunications products and services, as well as in offshore oil and gas exploration and production.

The most promising sectors for market growth for U.S. non-agricultural companies in the coming year include IT and

telecommunications equipment and services, biotechnology and pharmaceutical products, tourism services, environmental equipment, electrical power systems, offshore oil and gas field equipment, and advanced medical equipment.

U.S. companies are expected to maintain and expand their market share in the coming years. In high-technology areas, such as information technology and medical equipment, U.S. companies are already market leaders and are expected to increase their lead.

## NORWAY

Norway is a modern, oil-rich country with 4.5 million people living in a 1,100-mile long, narrow, and mountainous country with a coastline three times its length and strong traditions of fishing and shipping.

Norway has one of the most financially healthy economies in the world, thanks in part to its status as the third-largest exporter of crude oil in the world and one of the largest exporters of natural gas. Other major industries, such as fishing and fish farming, information technology, pulp and paper products, and light metals processing are prospering as well, although Norway's shipbuilding industry is under increasingly heavy competition from foreign shipyards. Norway's unemployment rate has been one of the lowest in the world, but it is now edging above 4 percent. Inflation has been below 3 percent in recent years. With a per capita GDP of approximately \$37,000 based on purchasing power parities (\$50,000 based on current exchange rates), the Norwegian standard of living per capita virtually equals that of the United States. The vast majority of Norwegians are fluent in English, and many have very close cultural and familial ties to the United States. Norwegian business ethics are very similar to those of the United States.

U.S. companies have excellent opportunities to capture a significant share of new contract awards in Norway's defense sector, oil and gas sector, and information technology sector. Other sectors with significant opportunities are telecommunications equipment and services, tourism, drugs and health care technologies, and consumer goods.

Norway is not a member of the European Union, but is linked to the union through the European Economic Area (EEA) agreement, which provides for favorable access to the EU market for most non-agricultural products. By virtue of the EEA, Norway is virtually part of the EU single market, except in fisheries and agriculture. Norway implements most EU directives as a result of its EEA obligations.

The U.S. business presence in Norway is very broad and deep. Over 250 U.S. branches and subsidiaries operate in Norway, and their numbers are growing. An estimated 4,000 more U.S. firms are represented in Norway by nearly 2,000 Norwegian agents and distributors. The United States is Norway's fifth-leading source of foreign investment. The American Chamber of Commerce in Norway is a dynamic voice for American business in the country. The United States is Norway's fifth-largest source of imports.

Norway's market, with the notable exception of agricultural products and processed foods, is transparent and open. Few burdensome technical standards exist except in telecommunications equipment, although there are stringent regulations for chemicals and foodstuffs. Many of Norway's standards are harmonized with the European Union. No country of origin labeling is required.

## SWEDEN

Sweden's information technology and telecommunications infrastructure is advanced. According to the latest International Data Corporation global survey, Sweden tops the list as the country with the best leadership in information technology. Sometimes referred to as Silicon Valhalla, or Wireless Valley, Sweden has become the preferred location of many of the top American IT and telecommunications firms, both hardware and software, for not only research and development but also regional headquarters. Few other countries can boast of both a top-notch domestic auto industry as well as a world-class aviation industry. Naturally, this has led to Sweden receiving significant amounts of foreign investment, largely in the mergers and acquisitions arena.

## Nordic Public Holidays, 2004

### January 1

New Year's Day

### April 8

Maundy Thursday

### April 9

Good Friday

### April 12

Easter Monday

### May 1

Labor Day (Norway and Sweden)

### May 7

Prayer Day (Denmark)

### May 17

Independence Day (Norway)

### May 20

Ascension

### May 31

Whitmonday

### June 5

Constitution Day (Denmark)

### June 20

Midsummer Eve

### June 21

Midsummer

### November 1

All Saints' Day (Sweden)

### December 24

Christmas Eve

### December 25

Christmas Day

### December 26

Second Christmas Day

### December 31

New Year's Eve

Sources: *Country Commercial Guide: Denmark, FY 2004*; *Country Commercial Guide: Norway, FY 2004*; and *Country Commercial Guide: Sweden, FY 2004*.

Sweden has not been immune from general economic downturn, but the country's solid infrastructure has contributed to positive developments in biotechnology and life sciences. Sweden's strength in pharmaceuticals and life sciences has led to applications development in information technology that is proving to be quite attractive for U.S. companies. Stem cell research and nanotechnology are flourishing.

While the image of Sweden as a country of lakes, forests, and islands dotted with pretty red cottages persists, this perception highlights a country with high environmental standards, renewable energy utilization, and a preference for "clean" solutions, which fits in well with U.S. technology offerings.

No longer an economy linked just to natural resources of iron, forests, and fish, Sweden today is characterized by its technological innovation, collaboration, and strong educational and research capabilities. Sweden is an ideal test market because of its high regard for U.S. products, coupled with the fact Swedes are known as "early adapters" and are quick to start or follow trends.

Many Americans think of Sweden as being either Scandinavian or European. It may come as a surprise that a noted political scientist calls Sweden "the most Americanized country in the world, with the possible exception of the United States." Generations of Swedish emigration to America form part of the cultural fabric of Sweden, and few Swedes can claim that they have no relatives in the United States. Almost every Swede is fluent in English, and our cultures have much in common.

Sweden's commitment to exploiting new technology is clearly demonstrated by the level of investment in research and development. Relative to GDP, Sweden leads the world in R&D. This translates into Sweden being a center for collaboration, research labs, and innovation. But this investment is not all in physical hardware; Sweden has a tremendous pool of technical talent, and by virtue of its excellent educational system, the country offers U.S. companies great opportunities for international networking and joint projects. Sweden also ranks as one of the top recipients of foreign direct investment, much of it technology-based, as companies expand operations and acquire Swedish assets. ■

Sources: *Country Commercial Guide: Denmark*, FY 2004; *Country Commercial Guide: Norway*, FY 2004; *Country Commercial Guide: Sweden*, FY 2004 (all three guides: U.S. Commercial Service and U.S. Department of State, 2003); *Survey: The Nordic Region* (*The Economist*, 14 June 2003); and *The World Factbook* (CIA, 2003).

## USEFUL RESOURCES

### Denmark

U.S. Embassy, Copenhagen  
Tel: +45-35-55-31-44  
<http://denmark.usembassy.gov>

U.S. Commercial Service, Copenhagen  
Tel: +45-35-55-31-44  
[www.buyusa.gov/denmark](http://www.buyusa.gov/denmark)

Royal Danish Embassy, Washington, D.C.  
Tel: (202) 234-4300  
[www.denmarkemb.org](http://www.denmarkemb.org)

American Chamber of Commerce in Denmark  
[www.amcham.dk](http://www.amcham.dk)

Danish-American Business Forum  
[www.dabf.dk](http://www.dabf.dk)

Danish-American Chamber of Commerce  
[www.daccusa.org](http://www.daccusa.org)

### Norway

U.S. Embassy, Oslo  
Tel: +47-22-44-85-50  
[www.usa.no](http://www.usa.no)

U.S. Commercial Service, Oslo  
Tel: +47-21-30-87-60  
[www.buyusa.gov/norway](http://www.buyusa.gov/norway)

Royal Norwegian Embassy, Washington, D.C.  
Tel: (202) 333-6000  
[www.norway.org](http://www.norway.org)

American Chamber of Commerce in Norway  
[www.am-cham.com](http://www.am-cham.com)

Norwegian-American Chamber of Commerce  
[www.nacc.no](http://www.nacc.no)

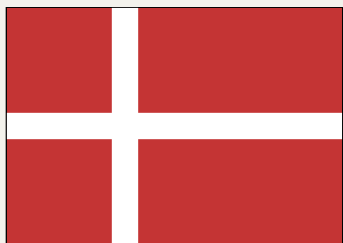
### Sweden

U.S. Embassy, Stockholm  
Tel: +46-8-783-53-00  
<http://stockholm.usembassy.gov>

U.S. Commercial Service, Stockholm  
Tel: +46-8-783-5346  
[www.buyusa.gov/sweden](http://www.buyusa.gov/sweden)

Embassy of Sweden, Washington, D.C.  
Tel: (202) 467-2600  
[www.swedish-embassy.org](http://www.swedish-embassy.org)

Swedish-American Chamber of Commerce  
[www.sacc-usa.org](http://www.sacc-usa.org)



## EXPORTING TO THE NORDIC REGION

### Basic Documentation

**Commercial invoice:** Two copies on seller's letterhead required. The invoice must list FOB and CIF values (itemizing all expenses), BTN number and commodity description, and gross and tare weights. It must also contain a signed declaration that the value stated is full, correct, and true. The shipper signs two copies of the invoice, and they are mailed directly to the importer. The commercial invoice should be dated and include details such as terms of payment and all sales conditions, including discounts granted as well as type of discounts. No certification or legalization is required.

**Certificate of origin:** Not required, but it may be requested by the importer or bank.

**Bill of lading:** Two copies required. No special form is necessary, but the bill of lading should include the following information:

- Shipper's name
- Consignee's name and address
- Destination port
- Description of shipment
- All charges
- Number of bill of lading full sets
- Carrier acknowledgment of receipt of shipment

(Air waybills obviously replace bills of lading in the case of air shipments.)

**Packing list:** Not required, but recommended to expedite customs clearance.

Source: *Handbook for International Trade* ([www.joc.com/handbook/exportdocuments.shtml](http://www.joc.com/handbook/exportdocuments.shtml)).

### Taxes and Tariffs

As members of the European Union, Denmark and Sweden use the EU Harmonized Tariff Schedule. A copy of this schedule is available as a PDF file on the Trade Information Center's Web site: [www.export.gov/tic](http://www.export.gov/tic). Follow the link to tariff and tax information.

Norway's customs tariff schedule is on-line at [www.toll.no](http://www.toll.no). The English translation is available by clicking on the Union

Jack in the top navigation bar. The tariff schedule is in Norwegian, but the tariff item numbers in the customs tariff are identical for both import and export purposes and follow HS nomenclature.

Value-added tax (VAT) for Denmark and Sweden is 25 percent. Sweden has a reduced VAT for certain products that are deemed essential. Norway's VAT is 24 percent. VAT is based on the CIF value plus the duty rate. ■



Source: Trade Information Center ([www.export.gov/tic](http://www.export.gov/tic)).

Note: Export and import requirements are subject to change. The information above regarding documentation, tariffs, and taxation is only a general guide. Before exporting, check with customs and export/import regulatory authorities in the Nordic countries and the United States.